

House File 2377 - Introduced

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A BILL FOR

1 An Act relating to property taxation by providing a property
2 assessment adjustment for certain persons, applying income
3 and age limitations, providing a penalty, modifying the time
4 period for property tax assessment protests, and including
5 retroactive and other applicability provisions.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

HOMESTEAD ASSESSED VALUE ADJUSTMENT

Section 1. NEW SECTION. **425B.1 Homestead assessed value adjustment — purpose.**

Persons who own their homesteads and who meet the qualifications provided in this chapter are eligible for an adjustment in the assessed value of their homesteads, as provided in this chapter, to prevent an increase in such values.

Sec. 2. NEW SECTION. **425B.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. "*Assessed value*" means the actual value prior to any adjustment pursuant to section 441.21, subsection 4.

2. "*Base assessment year*" means the assessment year beginning in the base year.

3. "*Base year*" means the calendar year last ending before the claim is filed.

4. "*Claimant*" means a person filing a claim for adjustment under this chapter who has attained the age of sixty-five years on or before December 31 of the base year and is domiciled in this state at the time the claim is filed or at the time of the person's death in the case of a claim filed by the executor or administrator of the claimant's estate.

5. "*Homestead*" means the dwelling owned and actually used as a home by the claimant during any part of the fiscal year beginning July 1 of the base year and so much of the land surrounding it, including one or more contiguous lots or tracts of land, as is reasonably necessary for use of the dwelling as a home, and may consist of a part of a multidwelling or multipurpose building and a part of the land upon which it is built. It does not include personal property except that a manufactured or mobile home may be a homestead. Any dwelling or a part of a multidwelling or multipurpose building which is exempt from taxation does not qualify as a homestead under this

1 chapter. A homestead must be located in this state. When a
2 person is confined in a nursing home, extended-care facility,
3 or hospital, the person shall be considered as occupying or
4 living in the person's homestead if the person is the owner
5 of the homestead and the person maintains the homestead and
6 does not lease, rent, or otherwise receive profits from other
7 persons for the use of the homestead.

8 6. "*Household*", "*household income*", and "*income*" mean the
9 same as those terms are defined in section 425.17.

10 7. "*Owned*" means owned by an owner as defined in section
11 425.11.

12 Sec. 3. NEW SECTION. **425B.3 Right to file a claim.**

13 The right to file a claim for an assessed value adjustment
14 under this chapter may be exercised by the claimant or on
15 behalf of a claimant by the claimant's legal guardian, spouse,
16 or attorney, or by the executor or administrator of the
17 claimant's estate. If a claimant dies after having filed a
18 claim for adjustment, the amount of any adjustment shall be
19 made as if the claimant had not died.

20 Sec. 4. NEW SECTION. **425B.4 Claim for adjustment.**

21 1. Subject to the limitations provided in this chapter,
22 a claimant may annually claim an adjustment of the assessed
23 value of the claimant's homestead for the base assessment year.
24 The adjustment claim shall be filed with the county assessor
25 between January 1 and February 15 immediately following
26 the close of the base assessment year. However, in case of
27 sickness, absence, or other disability of the claimant, or
28 if in the judgment of the county assessor good cause exists,
29 the county assessor may extend the time for filing a claim for
30 adjustment through June 30 of the same calendar year.

31 2. The county assessor shall notify the department of
32 revenue by March 1 of the number of claimants receiving
33 adjustments under this chapter and the total amount of the
34 reduced assessed values for the base assessment year.

35 Sec. 5. NEW SECTION. **425B.5 Qualification and adjustment**

1 — maximum tax dollars levied.

2 1. If the household income qualification specified in
3 subsection 2 is met, the assessed value of the claimant's
4 homestead in the base assessment year shall be adjusted, but
5 not increased, to equal the assessed value, as such assessed
6 value may have been adjusted pursuant to this chapter, in the
7 assessment year preceding the base assessment year. If the
8 amount of property taxes levied against the adjusted assessment
9 exceed the amount of property taxes levied against the property
10 in the fiscal year for which taxes were first levied against
11 an adjusted assessment under this chapter, the treasurer shall
12 subtract the difference from the amount due.

13 2. A claimant is eligible for an adjustment to the assessed
14 value of the claimant's homestead if the claimant's household
15 income is thirty thousand dollars or less in the base year.

16 Sec. 6. NEW SECTION. 425B.6 Administration.

17 The director of revenue shall make available suitable forms
18 for claiming an assessed value adjustment with instructions
19 for claimants. Each assessor and county treasurer shall make
20 available the forms and instructions. The claim shall be in a
21 form as the director may prescribe.

22 Sec. 7. NEW SECTION. 425B.7 Proof of claim.

23 1. Every claimant shall give the department of revenue, in
24 support of the claim, reasonable proof of:

25 a. Age.

26 b. Changes of homestead.

27 c. Household membership.

28 d. Household income.

29 e. Size and nature of the property claimed as the homestead.

30 2. The director of revenue may require any additional proof
31 necessary to support a claim.

32 Sec. 8. NEW SECTION. 425B.8 Audit — denial.

33 If on the audit of a claim for adjustment under this chapter,
34 the director of revenue determines the claim is not allowable,
35 the director shall notify the claimant of the denial and the

1 reasons for it. The director shall not deny a claim after
 2 three years from October 31 of the year in which the claim was
 3 filed. The director shall give notification to the county
 4 assessor of the denial of the claim and the county assessor
 5 shall instruct the county treasurer to proceed to collect the
 6 tax that would have been levied on the applicable adjusted
 7 assessed value in the same manner as other property taxes
 8 due and payable are collected, if the property on which the
 9 adjustment was granted is still owned by the claimant.

10 Sec. 9. NEW SECTION. **425B.9 Waiver of confidentiality.**

11 1. A claimant shall expressly waive any right to
 12 confidentiality relating to all income tax information
 13 obtainable through the department of revenue, including all
 14 information covered by sections 422.20 and 422.72. This waiver
 15 shall apply to information available to the county assessor who
 16 shall hold the information confidential except that it may be
 17 used as evidence to disallow the assessed value adjustment.

18 2. The department of revenue may release information
 19 pertaining to a person's eligibility or claim for or receipt of
 20 the assessed value adjustment to an employee of the department
 21 of inspections and appeals in the employee's official conduct
 22 of an audit or investigation.

23 Sec. 10. NEW SECTION. **425B.10 False claim — penalty.**

24 A person who makes a false affidavit for the purpose of
 25 obtaining an adjustment in assessed value provided for in
 26 this chapter or who knowingly receives the adjustment without
 27 being legally entitled to it or makes claim for the adjustment
 28 in more than one county in the state without being legally
 29 entitled to it is guilty of a fraudulent practice. The claim
 30 for adjustment shall be disallowed in full and property tax
 31 shall be levied on the disallowed adjustment at the rate that
 32 would have been levied but for the adjustment. The director of
 33 revenue shall send a notice of disallowance of the claim.

34 Sec. 11. NEW SECTION. **425B.11 Statutes applicable.**

35 To the extent not otherwise contrary, the provisions of

1 sections 425.30, 425.31, 425.32, and 425.37 apply to this
2 chapter.

3 Sec. 12. RETROACTIVE APPLICABILITY. This division of this
4 Act applies retroactively to January 1, 2012, for assessment
5 years beginning on or after that date and to the filing of
6 claims on or after January 1, 2013, for adjustments of assessed
7 values.

8 DIVISION II

9 PROPERTY ASSESSMENT PROTESTS

10 Sec. 13. Section 441.26, subsection 1, Code Supplement
11 2011, is amended to read as follows:

12 1. The director of revenue shall each year prescribe
13 the form of assessment roll to be used by all assessors in
14 assessing property, in this state, also the form of pages of
15 the assessor's assessment book. The assessment rolls shall
16 be in a form that will permit entering, separately, the names
17 of all persons assessed, and shall also contain a notice in
18 substantially the following form:

19 If you are not satisfied that the foregoing assessment is
20 correct, you may file a protest against such assessment with
21 the board of review on or after April 16, to and including May 5
22 16, of the year of the assessment, such protest to be confined
23 to the grounds specified in section 441.37.

24 Dated: .. day of ... (month), .. (year)

25

26 County/City Assessor.

27 Sec. 14. Section 441.37, subsection 1, paragraph a,
28 unnumbered paragraph 1, Code Supplement 2011, is amended to
29 read as follows:

30 Any property owner or aggrieved taxpayer who is dissatisfied
31 with the owner's or taxpayer's assessment may file a protest
32 against such assessment with the board of review on or after
33 April 16, to and including May 5 16, of the year of the
34 assessment. In any county which has been declared to be a
35 disaster area by proper federal authorities after March 1 and

1 prior to May 20 of said year of assessment, the board of review
2 shall be authorized to remain in session until June 15 and the
3 time for filing a protest shall be extended to and include
4 the period from May 25 to June 5 of such year. Said protest
5 shall be in writing and signed by the one protesting or by the
6 protester's duly authorized agent. The taxpayer may have an
7 oral hearing thereon if request therefor in writing is made at
8 the time of filing the protest. Said protest must be confined
9 to one or more of the following grounds:

10 Sec. 15. APPLICABILITY. This division of this Act applies
11 to assessment years beginning on or after January 1, 2013.

12 EXPLANATION

13 This bill relates to property taxation by allowing
14 adjustments to certain homesteads based on age and income
15 limits and by modifying the property assessment protest time
16 period.

17 Division I of the bill provides for an adjustment in the
18 assessed value of a homestead if the owner is a person who is
19 65 or older and whose household income is \$30,000 or less.
20 If those qualifications are met, the assessed value of the
21 homestead upon which property taxes are levied in a fiscal
22 year is the same assessed value as for the previous fiscal
23 year. Assessed value is that value prior to any rollback being
24 applied.

25 Division I of the bill provides that a person who makes a
26 false affidavit for the purpose of obtaining an adjustment,
27 knowingly receives the adjustment without being legally
28 entitled to it, or makes claim for the adjustment in more than
29 one county without being legally entitled to it is guilty of a
30 fraudulent practice and is subject to a criminal penalty.

31 Division I of the bill applies retroactively to January 1,
32 2012, for assessment years beginning on or after that date and
33 applies to claims filed on or after January 1, 2013, for the
34 adjustments.

35 Current Code section 441.37 allows any property owner or

1 aggrieved taxpayer who is dissatisfied with the owner's or
2 taxpayer's assessment to file a protest against such assessment
3 with the local board of review on or after April 16, to and
4 including May 5, of the year of the assessment. Division II of
5 the bill extends that period to file a protest to May 16.

6 Division II of the bill applies to assessment years
7 beginning on or after January 1, 2013.